

ALLOWABLE MEDICAL BILLS TO MEET SPENDDOWN**0913.21**

MinnesotaCare:

No provisions.

MA/GAMC:

Use health care expenses in the order listed below to meet medical spenddowns. See §0913.13 (Long Term Care Spenddown Calculation) for expenses used to meet a long term care spenddown. Use medical expenses incurred by clients, their legal dependents, or financially responsible relatives who live with them. Legal dependents and responsible relatives DO NOT have to be applying for or eligible for MA/GAMC for the client to use their medical expenses.

Use the actual amount billed for the service rather than what MA/GAMC will pay. The client must verify health care expenses.

Deduct expenses in the following order:

1. Deduct Medicare and health insurance premiums, including MinnesotaCare premiums (H bills on MAXIS), for any member of the household if the premiums are paid by the client or a financially responsible relative living with the client and will not be reimbursed by MA, QMB, SLMB, QI, or otherwise paid through the Buy-In. See §0910.05.05 (Medicare Premium Payment).

When calculating a 1-month spenddown, deduct the insurance premium on the 1st day of the month in which the premium is due. If the client is expected to pay Medicare premiums each month, allow the Medicare premium as an automated monthly spenddown expense. On MAXIS, enter the Medicare premium for each month of the certification period on the MA Bill Entry (MABI) panel. Allow health insurance premiums as automated monthly spenddown expenses if you verify that they are paid monthly. Verify the payment at the 6-month income review and at the annual recertification. See §0913.09 (Automated Monthly Spenddown Calculation).

When calculating a 6-month spenddown, deduct Medicare premiums and all other health insurance premiums for any member of the household which were due during the month of application and any of the 3 retroactive months on the 1st day of the 1st retroactive month for which the client is requesting MA or GAMC. Do not deduct Medicare or health insurance premiums paid after the month of application as an expense for 6-month spenddowns. Only use indemnity policy premiums to meet spenddowns if the policy benefits are limited to medical payments for medical expenses. Insurance premiums used

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to meet medical spenddowns do not have to be cost effective.

2. On the 1st day of the 6-month or 1-month spenddown period, deduct the unpaid balance of medical expenses incurred prior to the income certification period (M bills on MAXIS) that the client is obligated to pay. The medical expense may be an expense charged directly to the person by a medical provider, an expense which a medical provider has transferred for collection to a person or agency actively pursuing the collection, or a loan payment owed to a person, financial institution, or credit company for which the loan proceeds were specifically paid to a medical provider.

These expenses must have:

- ▶ Been incurred by the client, the client's dependent if the dependent is included in the client's household size or would have been included in the household size if the client had applied when the bill was incurred, the client's siblings, half-siblings, and step-siblings who are included in the client's household size, or the client's spouse or parent (including stepparent) if the spouse or parent's income is actually used to determine eligibility. See §0908.05 (Determining MA/GAMC Household Size).

AND

- ▶ Been incurred before the current income certification period.

AND

- ▶ NOT been used to calculate a spenddown during a prior income certification period, whether or not the calculation resulted in the spenddown being met, unless eligibility for the entire income certification period was denied.

AND

- ▶ NOT been MA/GAMC covered services incurred in a prior period of MA/GAMC eligibility.

3. Deduct the following expenses on the 1st day of the 6-month or 1-month spenddown period. All these expenses are bill type P on MAXIS.

- ▶ Non-reimbursable bills incurred during the income certification period not covered by MA/GAMC or reimbursable under the MA Administrative Fund which were NOT reimbursed or paid from the fund, such as transportation. See COVERED SERVICES and TRANSPORTATION COVERAGE in the Minnesota Health Care

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Programs Provider Manual for information on expenses eligible for reimbursement. See NON-REIMBURSABLE EXPENSES in §0902.27 (Glossary: Non-Citizen...) and MEDICALLY NECESSARY in §0902.23 (Glossary: Managed Care...) For more information on which expenses can be allowed as spenddown deductibles.

For ongoing non-reimbursable expenses, verify the need for the item at each annual review unless the doctor's recommendation specifies a shorter period.

- ▶ Expenses other than health insurance incurred during the income certification period by dependents or financially responsible relatives who are not requesting or on MA/GAMC. Include both reimbursable expenses (which can be paid through MMIS) and non-reimbursable expenses (which are not covered by MA/GAMC or cannot be paid through MMIS). Include bills paid by MinnesotaCare for family members for whom DHS does not receive FFP. See §0913.21.05 (MinnesotaCare Expenses to Meet Spenddown) for instructions on which MinnesotaCare expenses are allowable.

- ▶ The following medical expenses incurred by the client or financially responsible relatives:

- Allowable medical care costs for clients in GRH settings (MAXIS service code 27).

To determine the amount of remedial care expenses to allow toward the spenddown for GRH residents who are not eligible for the GRH cash program:

1. Subtract the current clothing and personal needs allowance in §0912.07.03 from the 70% of FPG standard for 1 in §0912.07.070. This is the MA room and board rate.
2. Subtract the result from step 1 from the GRH negotiated rate. This is the remedial care amount.
3. Apply the amount from step 2 to the spenddown.

- Alternative Care (AC) (MAXIS service code 30). See §0913.21.03 (Determine Net Medical Expense) and §0913.13.07 (Relationship Between AC and SIS-EW) for information on when AC expenses can be applied to the spenddown.
- Minnesota Children Special Health Needs (MCSHN) (MAXIS service code 31).

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- Insurance Extension Program (MAXIS service code 32).
- 4. Deduct, on the 1st day of the 1-month spenddown, hospital bills paid by MinnesotaCare for MinnesotaCare recipients who are applying for MA to pay the hospital bill. Use bill type R with service code 28 on MAXIS. See §0913.21.07 (MinnesotaCare Inpatient Hospitalization) for specific instructions on MinnesotaCare enrollees who apply for MA to help with hospital costs.

MinnesotaCare enrollees are not eligible for GAMC to help pay hospital costs incurred while they were active on MinnesotaCare.

- 5. Deduct MA/GAMC covered services (R bills on MAXIS) incurred by the client during the 6-month or 1-month income certification period in chronological order by date of service. Include waived services received through the CAC, CADI, EW, and MR waivers (MAXIS service code 24), the net amount of the MSHO spenddown (MAXIS service code 37), and Child Welfare/Targeted Case Management expenses (MAXIS service code 34). Also include prescription costs paid by the Prescription Drug Program (PDP) (MAXIS service code 41) and PDP deductibles (MAXIS service code 15). MMIS will apply the client's out-of-pocket prescription costs to both the PDP deductible and the spenddown until the spenddown is met. Once the spenddown is met for a given month, the deductible no longer applies.

Although MA and GAMC may limit how often they will pay for some services, and require prior authorization limits for others, do not apply these limits when determining what expenses are acceptable to meet a spenddown.